

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 02/23/07

SPONSOR Vigil LAST UPDATED \_\_\_\_\_ HB HJM 64

SHORT TITLE Alcohol Advertisement To Youth Task Force SB \_\_\_\_\_

---

ANALYST Hanika Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$.1 see narrative			recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Joint Memorial 64 requests the creation of a task force to study to effects of alcohol advertisements on youth and to recommend constitutionally valid methods of restricting youth exposure to alcohol advertisements. The memorial further requests the director of alcohol and gaming to report to the interim legislative health and human services committee no later than November 2007 on the study and recommendations of the task force.

The memorial provides the following comments:

- Each day, three teens in the United States die from drinking and driving and at least six more die from other alcohol-related causes.
- Each day, more than seven thousand children in the United States under age sixteen take their first drink.
- Underage drinking costs the United States fifty-three billion dollars (\$53,000,000,000) a year in medical care, lost productivity and pain and suffering of young drinkers.
- Approximately one-third of high school seniors engage in heavy episodic or binge drinking, making them vulnerable to alcohol-induced brain damage and an increased likelihood of alcohol dependence later in life.
- Youths who drink alcohol are more likely to experience educational, social and legal problems and are at a higher risk for suicide and homicide.
- A *USA Today* survey found that teens say alcohol ads have a greater influence on the desire to drink in general than the desire to buy a particular brand.

- A study published in the *Journal of the American Medical Association* found that the number of beer and distilled spirits ads tended to increase with a magazine's youth readership.
- A study of children ages nine to eleven found that children were more familiar with Budweiser's television frogs than Kellogg's Tony the Tiger, the Mighty Morphin' Power Rangers or Smokey Bear.
- The institute of medicine has called for reforms on the alcohol industry's advertising to audiences known to include a significant number of children or teens.
- The institute of medicine has called on the United States department of health and human services to monitor alcohol advertising and report its findings to congress and the public.
- The center on alcohol marketing and youth at Georgetown University has documented widespread exposure of underage youth to alcohol advertisements on television, radio, the internet and in magazines.
- The city of Philadelphia unanimously passed an ordinance banning future alcohol advertising on city-owned property, including public transit bus shelters used by many school children.
- The state of Ohio adopted a rule prohibiting alcohol advertising on billboards within five hundred feet of schools, parks and churches.
- The national association of attorneys general created the youth access to alcohol task force to reduce underage drinking, to study youth exposure to alcohol advertising and to educate state attorneys general on ways to reduce access to alcohol by youth and change social norms about underage drinking.

## **FISCAL IMPLICATIONS**

Fiscal impact for state agencies will be determined by how often the task force meets; and, any costs incurred to state agencies as a result of the implementation of recommendations made by the task force.

State law allows for each member of an advisory committee to receive compensation for travel and per diem expenses incurred in the performance of their duties within budgeted amounts and in accordance with the provisions of the Per Diem and Mileage Act, Sections 10-8-1 to 10-8-8 NMSA 1978.

## **SIGNIFICANT ISSUES**

The director of the alcohol and gaming division of the regulation and licensing department is requested to assemble and chair a task force to accomplish the following:

- study the relationship between youth exposure to alcohol advertising and youth access to and consumption of alcohol and to recommend methods of restricting youth exposure to alcohol advertising;
- study other states' alcohol advertising laws and their current status, model policies and best practices and recommend ways of applying best practices in New Mexico;
- examine the alcohol industry's sponsorship of community events where children are present and suggest constitutionally valid methods of restricting alcohol industry sponsorship and signage at community events;

- study and recommend constitutionally defensible restrictions on alcohol advertising and sponsorship in state publications and on state-owned and state-leased lands, including state universities, college campuses, state parks, public buildings and state-sponsored civic events;
- study and recommend regulation of billboard and other forms of outdoor advertising of alcoholic beverages;
- analyze and determine what authority state governments may have to protect youth by restricting the placement of alcohol advertising in media with disproportionately large youth audiences.

### **PERFORMANCE IMPLICATIONS**

The task force will include a member of the children's cabinet and representatives from the attorney general's office, the department of health, the children, youth and families department, the public education department, the commission on higher education, the New Mexico parent teacher association, mothers against drunk driving and other relevant and interested groups.

### **ADMINISTRATIVE IMPLICATIONS**

A copy of this memorial is be transmitted to the director of the alcohol and gaming division of the regulation and licensing department.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

New Mexico may miss opportunities to gather information necessary to study the effects of alcohol advertisements on youth in our community.

AHO/mt